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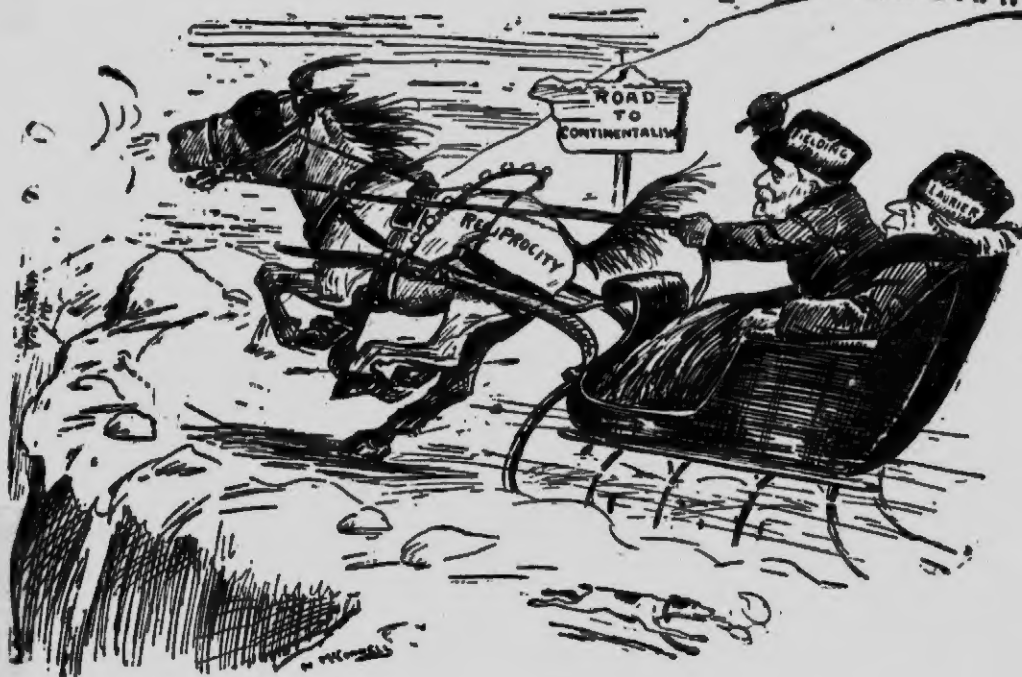
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# Results of Reciprocity

## Evils the Taft-Fielding Agreement Will Bring

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We don't know where we're going, but we're on our way.

### By Canadians, For Canadians, About Canada.

This study of the effects of Reciprocity is written from a strictly Canadian point of view.

It is regarded solely as a Canadian question, supremely important to the Canadian people and decisive as to the commercial and political future of Canada.

Every individual who proposes to earn his living in Canada will be interested, irrespective of race, origin, national feeling or political opinion.

## DOES RECIPROCITY MEAN ANNEXATION?

The ultimate political effects of the proposed Reciprocity in natural products have been the subject of a vast amount of debate. Honest differences of opinion have been freely expressed; and some little indignation has been heard from both sides.

It is a subject, however, of such gravity that we must try to look at it with the clarity of calmness from all sides. Temper always obscures the vision; and this is a case in which it is very important that our vision should be clear. Let us give full credit for good faith to both parties. Let us take up the facts as we know them, one by one, and judge their effects. And then let us decide, whether we can dismiss all fear of ultimate political consequences and discuss this agreement purely as a trade treaty; or if we must constantly remember that it is a possible step toward Annexation. In the latter case, we must carefully measure the length of the step. Is it merely a short one which we can easily and surely retrace when we discover its tendency; or is it a leap into a trap out of which we can escape only at great loss?

### "A STUFFED FIGURE."

It might be as well at the outset to brush aside a very popular delusion regarding the contention of those who fear for the results of the agreement. The friends of the agreement—even some of its most noted supporters, such as Hon. W. S. Fielding—frequently talk as if the argument which alarms those who dread its political consequences, was that trading with the Americans will undermine our loyalty. They represent the opponents of the agreement as saying that, if our trade with the United States be largely increased, more of our people will be engaged in buying and selling across the border, and they will be converted to Annexation by the sheer frequency of these commercial transactions.

Of course, it is easy for the men who set up this "stuffed figure" to knock it down. They can show that trade in the past has not made Annexationists of our people; and they can indignantly declaim about the staunchness of the loyalty of Canadians which is not to be affected by a little more or less barter. "Our patriotism is not for sale," they tell us; and great is the scorn they pour upon the fearful souls who see danger in an increase of trade. "Are our banks becoming Annexationist,"—they ask—"because they lend money to the Americans?" "Are our railways Annexationist because they cross the border?" And so on ad infinitum. It is an exceedingly cheap and easy form of argument.

But it does not touch the point at issue. No critic of the measure has ever advanced so silly a reason for fearing its effects. The argument heard from the hostile camp is not based upon the consequences of increased trade, but upon the open intentions of the American people who will be able to use the menace of killing our new trade to coerce us into taking another step, and another step, and another step, until, finally, we shall have gone too far to fight our way back—especially with the dead weight of American and other foreign immigration on our shoulders.

### WHAT DO THE AMERICANS INTEND?

The first thing, therefore, to be discussed is the intention of the other parties to the bargain—the American people. Do they look forward to Annexation? And do they regard this agreement as a step in that direction?

Before calling any specific witnesses, let us call the most reliable of them all—human nature. Assuming that the American people are human like the rest of us, what do YOU think they would like to see happen to Canada? What would the Canadian people want, if the positions were reversed? What would the British people want if they were in the place of the Americans?

Naturally, the Americans are anxious at present not to obtrude this possibility upon Canada. They know that we, being a small people living under the shadow of a large one, must be prone to alarms from this very cause. So they dam back the natural expression of opinion on this subject—first, because they cannot afford to quarrel with Britain just now in view of what they believe to be the Japanese menace; and, second, because they know that if Canadians were convinced that Reciprocity meant Annexation, it would not last an hour in the Canadian Parliament.

### AMERICAN WITNESSES.

Still we can call a few witnesses whose restrained testimony should set us thinking.

**President Taft.**—The President is most profuse in his assurances that he does not mean Annexation. It would be a very serious breach of diplomatic and international courtesy for him to take any other position. If he were dealing with any other nation than Britain, it would almost be tantamount to a declaration of war for the Chief Executive of the United States to declare that he was thinking of how best to "annex" a great British colony. Naturally he insists that nothing of the sort is meant by his Reciprocity proposals.

But, in spite of this attitude, he has twice said—once in his Message to Congress conveying this very agreement, and once in a public address at Atlanta, Ga.—that Canada is "at the parting of the ways."

"At the parting" of what "ways?" Think it over! What could have been in the President's mind? Was he thinking only of Reciprocity—of trade and commerce? Let us see! If we reject this particular Reciprocity agreement, what "way" will we take which will make it impossible for us to go in for Reciprocity at some future time? If Reciprocity is nothing more than a business bargain, why should we ever be unwilling to enter into it—supposing it to be good—even if we do not take it now?

To be frank, can President Taft have meant anything less than this:—that if he did not catch us this time, we would soon be too strong and too self-reliant to be endangered by any Reciprocity treaty which he or his successors might get us to accept? It is hard to see how he could have meant that we were about to take a "way" which would carry us beyond the reach of a purely business bargain; but it is easy to see that he might have thought that we were travelling a road which would soon render us so permanently secure politically that Reciprocity would never again be a trap.

Then President Taft made a speech before the American Newspaper Publishers' Association in New York on April 27th which contained this remarkable statement:

"But there are other—EVEN BROADER—grounds than this (the commercial argument) which should lead to the adoption of this agreement. Canada's superficial area is greater than that of the United States between the two oceans. . . . The Government is one entirely controlled by the people, AND THE BOND UNITING THE DOMINION WITH THE MOTHER COUNTRY IS LIGHT AND ALMOST IMPERCEPTIBLE."

Now, we cannot be long in doubt what that means. Looking at the matter from a purely Canadian standpoint, it is surely obvious that no American could rejoice at the lightness of the bond which unites us with the British Empire for any other reason than that it could be easily snapped; and in what way could the Americans gain by the snapping of that bond if it did not make room for the creation of another bond?

#### CHAMP CLARK.

**Champ Clark.**—Champ Clark is the leader of the Democratic party which won the Congressional elections last autumn and which is now in control of the House of Representatives. Under our system of Government, Champ Clark would to-day be Prime Minister of the United States. He is "Prime Minister" so far as legislation is concerned; and Reciprocity is a legislative measure.

Now, Champ Clark declared in his first frank speech, when he was rallying his supporters in the old Congress to vote through a Republican bill, that "We are preparing to annex Canada." He said it seriously. He said it several times, and, every time, he was cheered by Congress.

Champ Clark's honesty was unexpected. He himself did not think of Canada when he made his statement. He was thinking only of his own party to whom he had to give good and convincing reasons for leading them up to vote for a bill which would enhance the popularity of a Republican President—and of the probable Republican Presidential candidate next year. So he talked straight out in meeting.

Immediately the "silencer" was put on. They tried to suppress his speech. If certain Canadian papers had not had correspondents at Washington, we might never have heard of it. The American agencies did not publish it. But the fact that he made it could not be denied. It appeared in the Congressional Record. Our papers published it; and the cat was out of the bag.

However, no one else was allowed to so much as mention the word "Annexation." Canadians at Washington at that time say that it was perfectly well understood that President Taft let it be known that he would regard any man as an enemy who touched upon this delicate and dangerous topic, and thus imperilled a measure upon the success of which he had set his heart. And a President's enmity is a serious thing for a member of Congress. It means shutting off a lot of patronage for his district which comes in very handsily at election time. Still, one member of Congress who had already been defeated and who was not afraid of threats—Bennett of New York—did introduce a bill to annex Canada. But the Taft "silencer" soon railroaded that into oblivion. He did not want to see his pet killed at Ottawa.

Before dismissing this witness, we, perhaps, had better quote a few more sentences of Speaker Clark's speech, taken from the official Congressional Record before it was "edited"—

"I am for it (Reciprocity) because I hope to see the day when the American flag will float over every square foot of British North American possessions clear to the North Pole. They are people of our blood. They speak our language. Their institutions are much like ours. They are trained in the difficult art of self-government. My judgment is that if the treaty of 1854 had never been abrogated, the chances of a consolidation of these two countries would have been much greater than they are now."

do not have any doubt whatever that the day is not far distant when Great Britain will see all of her North American possessions become a part of this Republic. That is the way things are tending now."

Later Mr. Clark repeated this sentiment several times. Sir Wilfrid Laurier dismissed his statement at the time as a "joke." Well, what do YOU think? Does it read as if Mr. Clark were joking? And do not forget for a moment that Hon. James Beauchamp Clark is an important man, Speaker of Congress, a leader of American opinion and a Presidential possibility.

#### OTHER CONGRESSMEN.

**Congressman McCall**, who introduced the Reciprocity bill, said, in his message to Congress: "If we could sweep away all tariffs between the two countries it would have the effect of another Louisiana Purchase."

Back in 1904, Congressman McCall was even plainer in putting his meaning. He then said:—

"Add to the tremendous influences that are pulling the two countries together the entangling web that is woven by reciprocal trade, and the inevitable day will be more quickly reached when the two countries shall be politically one."

Since making this frank statement Mr. McCall has had an opportunity to help weave "the entangling web" of "reciprocal trade" which is the "more quickly" to make the two countries "politically one." Do you imagine that he has changed his mind as to its effect in the meantime?

**Chairman Underwood**, who now has charge of the Reciprocity bill, gave an interview the other day in which he said that he advocated doing just what he has done—put a clause in the bill authorizing the President to negotiate for "more Reciprocity" at any time. This would, he said, "be an invitation on the part of our Government for Canada to unite with us in ultimate free trade." Free trade, of course, is Commercial Union; and Commercial Union is but a step from Political Union.

**Congressman Prince**, of Illinois, said in the new House of Representatives on April 28th:—

"The President, in his New York speech, states that in the other countries they are talking about Annexation. What is the history of the American people? We might as well be frank and honest. Americans went to Texas and Americanized it, and it was annexed as part of this great Union. Americans went into Hawaii, Americanized it and annexed it. And if these bright young men that the President speaks of in his speech, these clever, active, virile, vigorous young men from the farms of Illinois and the other northern States, the thousands and hundreds of thousands of them, go up into that northland, what do you think will be the effect of it?"

"We have ninety-two million people in the United States as compared with seven millions in Canada. Have I not a right to say that it is the first step toward annexation? Have I not a right to believe it? Why have not the Americans that go to Canada a right to believe it?"

"The present speaker of the House, Mr. Champ Clark, in the last session of Congress said that he was in favor of taking Canada as a part of the United States, and that this agreement was the first step towards Annexation. He is a plain, blunt, honest man, whom I admire for his frankness. He has never denied that statement."

"I say to my neighbors on the north: 'Be not deceived. When we go into a country and get control of it, we take it. It is our history, and it is right we should take it if we want it, and you might as well understand that.' The Speaker has so stated. The Democrats are in control. They have never denied it on the floor of the House, and they cannot deny it."



Senator Sherman said, so long ago as 1886:—

"Since the Conquest of Canada, by Great Britain in 1763, she has been a continuous warning that we cannot be at peace with each other except by political as well as commercial union. This union is one of the events that must inevitably come in the future. The true policy of this Government, then, is to tender freedom in trade and intercourse, and to make this tender in such a friendly way that it shall be an overture to the people of Canada to become a part of this Union."

James G. Blaine said that Canadians could not enjoy the benefits of the American market without bearing the burdens of the American nationality. When he was negotiating a treaty with Newfoundland, the Boston Herald said:—"The underlying motive of Blaine's Newfoundland treaty was to draw the British Colonies into the net of Annexation."

The Boston Herald said, again, in November, 1904, in commenting on a Reciprocity speech by Governor Foss:—

"But the indications are that the awakening of American statesmen has come. The contest draws on, and the great prize is Canada—nominally commercial Canada, but actually the political Dominion."

Governor Bates, of Massachusetts, said that he suspected that "the time will come when it shall be recognized with the consent of the Motherland, and the approval of the people of Nova Scotia, New Brunswick and Prince Edward Island, that the welfare of all requires that but one flag should float over this whole country."

Many other outspoken American witnesses could be called, but these will serve as fair samples.

#### BIG NATIONS GET THEIR WAY.

Now, so much for the purpose of the American people. It is our belief that they mean Annexation—that they want Annexation—that they regard this Reciprocity bill as a first step toward Annexation.

We admit at once that that does not make it what they would like to see in it. But the defenders of the measure will hardly deny on their side that when a nation of ninety millions makes a bargain with a nation of eight or nine millions and believes that that bargain will bring them a certain definite advantage, it spells "trouble" for the smaller nation when the goods are not delivered. Big nations have a way of putting their own interpretation upon bargains and compelling the acceptance of that interpretation.

We had a case in point just the other day. The Berlin Congress permitted Austria to occupy Bosnia and Herzegovina but not to annex them. They were to remain Turkish Provinces. Now, everyone knew that Austria hoped that occupation would eventually lead to Annexation. But Annexation was not spoken of. Turkey was most solemnly assured that occupation was not Annexation. Austria smiled and bided its time. Then there came a day when Turkey was prostrated by an internal revolution. The Young Turks had deposed the old Sultan but were not yet firmly enough in the saddle to challenge the opposition of any outside power. Austria—the big fellow in the case—calmly stepped in and turned occupation into Annexation. She forced the acceptance of her own hidden hope as to the outcome of the agreement, though there was not a word within the four corners of the agreement to justify that hope. Turkey—the little fellow—had to submit. The goods were delivered.

"Oh, but," say the defenders of Reciprocity, "you do not class Canada with the Balkan States!"

That is an adroit effort to distract attention from the point at issue. It is not a question whether Canada has the inhabitants or the geographical position of a Balkan State; but whether Canada can expect to do business with a big neighbor on any better terms. Let us say, in passing, that if it comes to fighting, some of the Balkan States have armies which would make even the American forces look small. But conditions are different on the two Continents. For instance, it is not the "occupation" of Canada we are discussing, but a trade treaty. The point we make is that big fellows have a way of getting their own hopes as to the ultimate effects of agreements realized, even if these hopes are emphatically denied when the agreement is written.

Canada is not in the Balkans, but it is in the world. It is respected by the United States to-day because it is a part of the British Empire; and yet, in spite of that respect, we have already suffered wounds on the Maine boundary and the British Columbia boundary and in what we may call the "Alverstone" Islands. This is an occasion for plain speech; and who believes that the Americans are much afraid of British opposition if they once put the screws on Canada and compel us to vote ourselves nearer and nearer to national extinction? That is to say, in two words, it will be folly to look to Britain to save us in spite of ourselves.

#### HOW THE DANGER WILL BEGIN.

It is a legitimate question to ask how those of us who see a menace in the proposed agreement think that the Annexation-desiring Americans can use it as "the thin edge of the wedge." The answer is simple. While we do not imagine that this treaty will bring any benefit to any class of producers as a whole, it will lead to a great deal of trading on North-and-South lines. The advocates of the agreement, who argue that it will open a very tempting market to the South, will find themselves compelled to give more emphasis to this possibility than even we do. Where we see only sectional trading, they will see a great flow of Canadian products into the American markets.

Now, all this will create trading interests of more or less value which will be dependent upon the open market to the South. It will also smash Canadian interests which to-day live by East-and-West trading. Forces will be created which will favor the maintenance of the arrangement, and forces opposing it will be weakened. This being so, the shrewd American statesmen, with their eyes always on the ultimate object of Annexation, will look for other handles to lay hold of. They may begin by talking of the priceless water powers in the rivers which divide the two nations. They are already trying to get possession of some of them. The fight for the Long Sault has been vigorous this last session and is still on. Nothing will be easier in the course of a few years, after Reciprocity has gone into effect, than for the American Government to grow quite cross over what they will call our "dog-in-the-manger" policy. They will accuse us of keeping these matchless water powers out of use. They will say to us:—"You do not develop them, and you will not allow us to develop them; and yet our industries are crying for them. If you are so unfriendly as all that, we may be unable to prevent Congress when it meets from putting a few kinks in your Reciprocity arrangement. Our people are feeling very sore over the situation, and the local Congressmen will not be able to resist the demand for retaliation."

Instantly all the Canadian interests which have contracted the habit of trading North and South will grow alarmed. They will want us to be "friendly" with our neighbors. It is "dollars to doughnuts" that the Toronto "Globe" will have a few unctuous articles on the beauty of international peace and our duty involved in showing the world how two Christian nations can live together in amity. The values coveted will be largely "futures" with no one to defend them now; and the values threatened will be very present and active. The result may easily be that our benevolent Uncle Sam will get a chance to develop our water powers for us, and, incidentally, another hold on the country.

Where the pressure will be applied next no one but a prophet can foretell. The Americans may propose free trade in agricultural implements, asserting—what is quite true—that our farmers want it. In the face of such a situation, would the farmers allow the Reciprocity agreement to be abrogated in order to save the agricultural implement men from free trade? The farmers might ask themselves this question. But the agricultural implement men will not be willing to die alone. They will want others brought in; and these others will "rope in" others; and presently our tariff will be practically made at Washington. Long before this, our forests will have been opened to enterprising and philanthropic American developers. The tenacious tentacles of an ambitious people, bent on Annexation, will have enwrapped us in a hundred directions.

#### GOVERNED BY CONGRESS.

When the next step is taken will not matter much. We will be governed by Congress already; and there will be very many who will say that if Congress is to fix our tariff, is to levy our taxes, is to control our water powers, is to regulate the cutting of our forests, is to revise our mining laws, and look after us generally in every point where there is a dollar to be made, we had better join the Union at once, send our members to Congress and so get at least a small share in our own government. With many discouraged Canadians feeling this way, with many Americans in the West, with many foreigners added to our population, with many interests quite as much American as native, how long do you think we will hold out against a determined, clever, ruthless effort to drag us into the United States and fly the Stars and Stripes from the Arctic Circle to—where? Will it, then, be the Rio Grande or the Panama Canal?

#### CARRIED BY ANNEXATION TALK.

This is the dip into the future that disquiets many sincere Canadian patriots to-day. The master menace is, frankly, the hardly-to-be-doubted intention of the American people. They mean Annexation. The great majority of them do not care two cents one way or the other about Canadian trade. Many of them are opposed to letting in Canadian products free on the long chance that this may upset the market and spoil conditions with which they are satisfied. It is chiefly the city consumer in the Northern tier of the States who wants Reciprocity; and he wants it because he believes that where Canadian food products are now cheap they will remain cheap. And without a doubt he is right.

But Reciprocity will be adopted by the Americans and will be broadened by them as they can, for the compelling reason that they "are preparing to annex Canada." The hope of Annexation makes a hundred votes for the agreement where cheap food anticipations make one. It would have been kicked out of the last Congress, had it not been for

the Annexation argument. The Republicans gave a majority against it in the Lower House; but the Democrats, brought into line by Champ Clark's Annexation speech, voted it through. Surely it is not necessary to make the purpose behind this movement any plainer?

#### WILL WE RISK IT?

Now, do we want to take this risk of Annexation? That is the question before Canada to-day. Quite apart from and above all the trade arguments pro and con, this fairly startling question stands out. Even if there be gain in the agreement, do we want to give a mortgage on the country for it?

Let us hasten to say that we do not believe there is gain in the agreement. We propose to discuss



Uncle Sam (philanthropist?), who is giving Canada so much for nothing.

this phase of the matter elsewhere, taking up each possible source of gain by itself. But let us for a few moments get out of the market-place and look at this critical issue, which has been so suddenly and peremptorily thrust before us for settlement, in a broad national way.

There are some things in our hearts that are not for sale. We cannot value everything in dollars and cents.

#### NOT FOR SALE.

When the United Empire Loyalists faced persecution, defied misrepresentation and contumely, accepted financial ruin and the risk of death, and set out toward the Northern Wilderness of Canada that they might preserve the political affiliations in which they believed, they were not weighing the advantages of one course against another in the scales of the money-changer. They were not reducing everything to dollars and cents. They were asserting—and putting their lives back—the assertion—that there were some things in their hearts that were not for sale.

Through the long winters when men who had voluntarily left wealth behind them, and delicately-nurtured women, knew what it was to go hungry—when the grain that they had laboriously ground in their own mills was all gone, and next year's harvest far away—when it was most difficult to get the poorest supplies, dribbling in through a trackless country—when it almost seemed as if England and God had deserted them—these heroes stood by

Canada, and their wives and children suffered willingly with them; and they did not keep a ledger account to decide whether it would not have been better for them to have forsworn their flag, refused the perilous pilgrimage into the Wilderness and fattened on the flesh pots of Egypt.

### THE LONG FIGHT.

Nor were all the deeds of heroism over when the "black winters" of the United Empire Loyalists had passed. Men died in 1812 to preserve Canada; and some of them gasped their last words in French and some in English. Then came long decades of doubt and almost despair. Misgovernment afflicted the country and rebellion tore at its vitals. The Union of the Canadas came as an experiment; and it struggled along with varying fortunes till the greater experiment of Confederation.

All these years, there were doubters in the camp and deserters who sought brighter prospects and "easier dollars" in the great, growing and always hostile country to the South. But, thank God! there were also men of vision, men with a passion for duty, men who believed in Canada, men who "stayed with the game." These were the constructive minds who gave us our constitution, who fought for and established our national autonomy, who projected and pushed to completion our magnificent canal systems and our world-banding railways.

It was not always easy and it was not always inspiring to stay and fight for Canada. Sometimes failure pushed its ugly face very near. There were days of discouragement and there were honest counsels of caution and even surrender. Blows fell upon us thick and fast. Though forty thousand of our liberty-loving people enlisted in the Northern armies and fought against slavery, the close of the war was followed by such a blow at our vitals as may be struck again if we once more trust ourselves to the tender mercies of our neighbors. The Elgin Treaty was denounced—and on flimsy excuses, showing how easy it is to find a reason for putting pressure on Canada. Later came the McKinley tariff, and then the Dingley tariff. Our sealers were assailed in the Pacific, and our fisheries were menaced in the Atlantic. Wherever we were exposed, we were struck; and there is no use mincing words about it now.

### COMMERCIAL UNION.

It was a policy of heavy siege operations; and the purpose was the capture of Canada. But it failed. The more they persecuted us, the more we multiplied and grew. An attempt upon our life of a different character was the famous Commercial Union propaganda of 1890. The idea was born in New York; it was financed by American money; it was advocated in Canada by an Americanized Canadian, and some of our people were dazzled.

Then it captured the Liberal party. They changed the name to Unrestricted Reciprocity; but they could not change the thing. Edward Blake retired in dismay. Sir John Macdonald and Sir Charles Tupper insisted that it was not a trade question merely but a menace to the political future of the nation; and the people voted for faith in Canada and fidelity to its political ideals in the decisive election of 1891. Sir John Macdonald died—as he longed to die—"a British subject," with the last cloud on the horizon swept away before his eyes by the rising breeze of Canada's confidence in herself.

### THE BRITISH PREFERENCE APPEARS.

It will be noted that all these operations were conducted in the leisurely fashion of those who have time on their side. Rebuffs did not discourage our neighbors. They thought they had simply to wait. But the policy of Mr. Chamberlain, who proposed to bonus Canadian wheat—a policy which the Taft-Fielding pact kills as dead as a door-nail—stirred up things at Washington. For the first time, it seemed to occur to them that they might be fought off until it became forever too late. But they were hampered with their own high tariff, with the unwillingness of the American farmers to be sacrificed while the manufacturers were saved, and with the divided condition of the Democratic Opposition.

### TAFT SEES HIS OPPORTUNITY.

The first fair chance they have had came when the insurgent movement loosened the hold of the Eastern interests on the Republican party, and the demand of the city people for "cheaper food" pointed the way as plainly as possible to Canadian Reciprocity. President Taft at once grasped the opportunity. He moved so quickly that we hardly realized what was forward until Messrs. Fielding and Paterson were back home with their bargain in their pockets. They had not taken time to look up the facts of the case. They had no information before them such as guided the deft fingers of the American Commissioners. They were hustled and hustled, all puzzled and muzzled, into the acceptance of an agreement whose fiscal effects they had not studied and whose political consequences they had not considered. They did not even remember that this "free trade" measure would admit the products of the "most-favored-nation" countries, until they were reminded of that important fact on the floor of Parliament.

But the unpreparedness of our Commissioners will be dealt with again. What we desire you to see now is simply that President Taft was in a furious hurry. He knew that every day made it less likely that Canada could be caught. The Dominion was growing; and either increased population and power here or a bonus on our goods at British ports would close the Reciprocity gate to Annexation forever. So he moved rapidly. He began before his party was overtaken by disaster in the autumn of 1910, and he kept right at it after the cyclone. The Bourbons of the Republican majority could not follow his far-seeing statesmanship; but the Democrats helped it cheerily along. They "were preparing to annex Canada."

### THE LAST ATTEMPT.

This is the last attack; and it is for us to decide whether it marks final failure along this line or the beginning of final success. The far-seeing President Taft is perfectly right. This "chance" will never "recur." We are deciding the destiny of Canada to-day for all time.

Upon our shoulders rests the responsibility of saying whether the United Empire Loyalists were the founders of a nation or the heroic leaders of a "forlorn hope;" whether the men who have stayed in Canada and seen their neighbors seek dazzling opportunities across the border, were patriots or fools; whether Canada is to remain on the map or to follow old names into the roseate land of romance; whether the effort of seventy years to build up a permanent people, distinctive and secure, is now to end in collapse; whether what the weapons of war and peace have failed to accomplish, the empty bribe of concessions which do not concede, will win; whether Confederation was a mistake, our East-



and-West investments wasted, and the dream of tens of millions of confident Canadians, living and dead, but a vision of youth which our adult hands are too feeble and our adult souls too cowardly to realise.

## It Will Kill Inter-Provincial Trade.

The first effects of the blow which Reciprocity will deliver at our commercial edifice, will be felt by Inter-Provincial Trade.

The whole fiscal and constitutional policy of this country has been directed primarily toward creating and augmenting trade between the Canadian Provinces. We have felt supremely the old truth that when one Canadian sells a bushel of wheat for a dollar to another Canadian, both the wheat and the dollar stay in Canada; while when the Canadian sells his wheat for an American dollar, we get the dollar but the wheat leaves the country.

Our entire railway system, which has cost us hundreds of millions of dollars, was intended to build up Inter-Provincial Trade. Our canals were cut for that same purpose. Our tariff has been scientifically adjusted to that end. We prefer that Montreal shall buy its fish from the Maritime Provinces and not from Boston—that the West shall buy its butter from Eastern Canada—that the East shall buy any flour it must import from the Canadian West—that the Prairies shall buy their fruit from Ontario and British Columbia, and that British Columbia shall buy its wheat from the Prairies.

After all, our outside markets are petty when compared with our Home Market. Eighty per cent. of our trade is done in Canada. When we imperil that trade, even for the sake of bettering our export trade, we risk eight dollars to enhance the chance of getting two.

Now, what is the effect of Reciprocity upon Inter-Provincial Trade?

It pierces the dyke which keeps our Inter-Provincial Trade flowing back and forth, and permits it to leak out at every opening. Moreover, it encourages American trade to leak in at every break as well. The West must buy as much as it did, and so must the East; but, instead of buying from each other, they will each buy from the foreigner.

Now, whereon citizen thinks that he gains a little advantage by being able to buy from the foreigner, he should remember that he, too, has something to sell; and this same policy has enabled his best customer to do his buying from the foreigner. The result will be, of course, that he will have much less profit on his own produce to buy with; and that his little advantage in buying will be much more than eaten up by the big loss on his sales.

It is the old situation of cheap goods and hard times. Cheap goods, low wages and hard times go together like the three witches in "Macbeth." Some of the Liberal speakers are telling the city people that they are going to get cheaper farm produce—that they will no longer have to pay the Canadian farmer so much for his food stuffs—but they are not telling them that if such a result follow, then the farmer would have less money to spend and that he will not be able to buy so freely of their industrial products. So they will get lower profits and wages; and will have less to buy with when they go down to the cheapened farmers' market.

The farmers in this country were never getting so much for their produce as they are to-day; and, if they are prudent men, they will "have well enough alone."

## A New Development—A Better Offer for Nothing—Hadn't We Better Wait and See?

Since President Taft began his negotiations, the American Democratic Party have carried a Congressional election on a "tariff off food" platform; and are now in power in the popular House at Washington. They have begun to press their programme at once by introducing "a farmers' free list" which they propose to pass immediately after the adoption of the Canadian Reciprocity agreement.

This "farmers' free list" includes such articles as  
Agricultural implements.  
Cotton bagging, burlap and jute bagging.  
Boots and shoes.  
Calfskins, harness, saddlery.  
Barbed wire, wire rods, wire rope, wire staples.  
Beef, veal.  
Mutton, lamb.  
Pork, bacon, hams, lard, sausages.  
Wheat flour, buckwheat flour.  
Oatmeal, cereal foods, biscuits, bread.  
Timber, board, laths.  
Sewing machines.  
Salt.

At the time of writing it is impossible to predict the fate of this proposal. It will carry in the House of Representatives; but will it pass the Senate and the President's veto?

The truth is that this does not much matter. It is the officially declared policy of the Democratic party; and it will be constantly pressed by them. The principle has the sympathy of the Republican Insurgents. It is expected that the Democrats will win the next elections; they will be in power in all branches of the tariff-making machine, and will push it through—and perhaps a broader measure.

Now, why not wait on the chance?

What is the hurry?

Why should we adopt Reciprocity if we are about to get a better thing for nothing?

And wouldn't this "farmers' free list" be better for us than what we have in our agreement?

Would it not be better to sell the Americans flour than wheat?

—beef than cattle?

—mutton than sheep?

—pork than pigs?

—oatmeal and cereals than oats?

Then we would get this "free list" without exposing our farmers to the competition of the twelve "most-favored nations," to say nothing of our sister colonies, without getting anything new in exchange.

We would get it "free, gratis, for nothing;" while now we are paying handsomely for something not nearly as good—if it be good in any respect.

We would get their market without giving them ours. We would get a chance to sell them finished products—not raw materials. We would reap all the alleged benefits of Reciprocity without being under any obligations to the United States or entering any "entangling alliances" which may result in national disaster.

Why not wait and see?



## WHY WAS RECIPROCITY DESIRABLE IN THE PAST AND NOT DESIRABLE NOW?

Mr. R. L. Borden, M.P., asked—and answered—a question during the debate on Feb. 9th, 1911, in the House of Commons, which should receive some consideration. It lies at the centre of all the argument based upon the advocacy of Reciprocity by eminent statesmen in the past. He asked—"Why did Canada want Reciprocity in 1866 and for many years afterward?" And his answer was, in brief:—

"We are not helpless to-day as we were in 1866. We have built up a great interprovincial trade; we have found stable and sure markets in Great Britain where the producers of the United States are our competitors. Transportation and cold storage have changed the whole situation from what it was in 1866, in 1878, even in 1891. The British markets are nearer to-day than the United States markets were fifty years ago."

That last is a most significant sentence. Invention has been annihilating distance since we went seeking admission to the American markets. The seas no longer divide; they unite. The markets of the world have been moved up together; and we can now take our choice without listening to the grumblings of geography.

The whole situation is changed. We may feel compelled to trade at the nearest village store when there is nothing but a bad road connecting us with the distant city shops; but let an electric line run out from the city in our direction, and all the old opinions on the subject fall into disuse. It is misleading—it is dishonest—to quote the views of dead and gone statesmen on this subject. They would not hold these views if they saw the conditions that confront us to-day.

## Geography and Markets.

It is an old error that geography determines markets. Once it was truth; and no error dies so fast as one that began life as a truth. In ancient days when transportation was primitive, costly, slow and perilous, geography did practically determine the circle of a nation's markets. But even the sailing ships of Phœnicia pretty well broke the bars of that prison. The invention of steam demolished the remaining walls; and to-day the whole world is the market of every nation of pluck, enterprise and ambition.

Where are England's markets? Where are they not? They are found in India as surely as in France, in Australia as surely as in Ireland, in China, in Canada, in all the Americas. The Argentine Republic is one of the great wheat producing countries of the world. To whom does it sell? To Peru? To Brazil? To Patagonia? Not exactly. Her wheat goes to Europe across the Atlantic and across the Equator. She does not ask geography to name her markets. She consults the lists of national products and sends her wares where such are scarce.

The ocean to-day is a trade canal—not a barrier.

We do not always realize how close we are to all the countries of the world. When we are told of possible competition with distant peoples we are not frightened. They seem too far off. Yet when we reduce distance to a dollar-and-cent basis—to cost of transport—it vanishes.

For instance, it costs only 5½ cents to bring a bushel of wheat from the Argentine Republic to Canada, while it costs 15 cents to carry a similar bushel of wheat from Regina to Montreal. Yet we would fear competition as close as Regina, and think nothing of it as far away as Argentina.

Again, it costs only two cents to bring a pound of butter from Australia to Vancouver. This is slightly less than the rate from Montreal to Vancouver, which is \$2.13 a hundred.

One cent and a half will carry a pound of mutton from Australia to Vancouver.

This gives some idea of how small the ocean is. The world has become one great market; and any people desiring to see their local market protected from floods of cheap produce, grown by cheap labor under conditions impossible for our farmers, must look after its protection themselves. Freight will no longer do it for them.

It is an older truth than this domination of geography that you must sell your products to the people who want them. A shoe-maker will not seek custom from a shoe-maker but from a tailor or a druggist. In the East, they have streets devoted to men of the same trade; but they do not trade with each other because they are near together. They trade with other men who are far off but who do not manufacture the same wares that they do.

The United States is the last place where Canada should seek a market.

Why?

Because it produces exactly the same sort of things that we do. It is our strongest competitor in the markets to which we export.

For instance, we produce and export wheat.

The Americans both produce and export more wheat than we do. Look at a few of the figures on this point:—

| Year      | Wheat Produced |                       |
|-----------|----------------|-----------------------|
|           | Canada bushels | United States bushels |
| 1908..... | 128,647,876    | 634,087,000           |
| 1909..... | 165,787,530    | 664,602,000           |
| Year      | Wheat Exported |                       |
|           | Canada bushels | United States bushels |
| 1908..... | 48,678,678     | 100,371,057           |
| 1909..... | 59,959,663     | 66,923,244            |

\*From American Senate document 849.

Obviously this is a nice country in which to expect to sell wheat at an advantage.

Again, Canada produces barley; but the United States produced in 1910 nearly four times as much as we did. Canada produces oats; but the United States beat us in about the same ratio. We produce hay. The Americans distanced us in 1910 exactly four to one. When it comes to comparing live stock, they have ten times as many horses as we have, seven times as many dairy cows, eleven times as many other cattle, twenty-one times as many sheep, sixteen times as many hogs—see Senate document 849. And so it goes.

We are two farms doing much the same business side by side. Should we try to get rich by trading with each other, or should we endeavor to carry our products to some market which does not grow farm produce? And if a very big farm proposed to a very small farm—or a farm but partly worked—that they should trade with each other, what would you think the big farm wanted to do with the raw products of its unworked rival?

## Blind-fold Bargaining.

### Our Ministers Signed the Reciprocity Agreement Without Information, Without Consultation, Without Knowing Its Effect.

One of the most amazing things about this bargain is the "slap dash" and unthinking manner in which our Government rushed into it. They were utterly unprepared to discuss the subject with the American representatives like business men. They consulted nobody; they took counsel with none of the experts in the various businesses affected; they dug up no detailed information; they deliberately went it blind.

Months of consultation with Canadian citizens from Prince Edward Island to British Columbia are considered necessary—and rightly so—before the tariff is revised. But, without an hour's consultation with anyone except professional politicians, the Government felt capable of judging the effects of an enlargement of the free list and a cutting duties on hundreds of other articles never approached before by any revision of the Canadian tariff.

### THE AMERICANS KNEW.

The Americans were by no means so unprepared. President Taft was able to transmit to the American Senate, practically on demand, a mass of information touching the history and present position of the farm products affected by this treaty, which is astonishingly complete, even in relation to Canada. Our Government had no such information to lay before Parliament; nor could they get it during the months that the scheme has been under discussion.

Their own speakers could, indeed, offer nothing but the most casual and ill-informed defence of the details of the agreement; for there was no systematic or scientific enquiry into the pertinent facts by the Government officials such as the Americans had had.

Think of it! The Americans knew the wages a farm hand gets in every Province in Canada, and how much extra at harvest time; knew the pay of every member of a threshing crew; knew the price of wheat in Winnipeg during every month from 1905 to 1910; knew the whole history of our barley trade for the last decade, with full statistics as to prices, yield and export for different Provinces; knew what the Ontario farmer usually got for his oats and the Quebec farmer for his hay; knew all about our live stock, what we feed them and what it costs us, and how we winter-feed our sheep; had the rates for fruits and vegetables down to a fine point at Toronto, at Windsor, at St. Stephen, N. B., at Sherbrooke, at Prescott, at Montreal. They knew what we got for everything from cauliflower to cattle; and they were able to discuss every item in the agreement with the fullest knowledge of its effect, in Canada as well as at home.

Our representatives claim to have laid before Parliament all the information they have and there is nothing to indicate that they knew any of these things.

Now, a Government is a business institution. We are apt to get "high-falutin'" notions about the powers and duties of Governments, and talk as if they were composed of superior beings who thought only in Contingents and dealt with nothing but "high politics." But a Government is really nothing more than our business committee paid to do the business of the nation. And we expect the members of that committee to take pains to do our business carefully and well. We don't want them to be thinking so much of the glory of their position

that they can't come down to "brass tacks" when the occasion requires it.

And the making of this trade treaty with the shrewdest set of traders on the top of the earth was one of the occasions that required our Government to come down out of the clouds and do business with their eyes open. But if Messrs. Fielding and Paterson went to Washington with an intimate knowledge of anything beyond coal and biscuits, and a hazy notion that a belief in Reciprocity is a part of the Gospels, there is nothing on the records to show it.

### OUR MINISTERS DON'T KNOW YET.

In fact, the Government seems to have a soul above detailed information. An Opposition motion was carried soon after the agreement was tabled, ordering the department of Trade and Commerce to prepare a return showing trade prices, especially on agricultural products in Canada, the United States and the various favored-nation countries. The value of such a return—particularly to the farmers—is obvious.

But all that Parliament got from the Government was a statement that the information was not in the Department, but that any one could collect it by looking through the trade papers. G. H. Perley, M.P., Opposition "Chief Whip," called the attention of the Government very vigorously to their neglect; and Sir Wilfrid Laurier was so ashamed of it that he promised to see about it again.

But it was perfectly apparent that, as the Government did not have this information in April, its Commissioners could not have had it in January.

A couple of debating incidents in the House of Commons also reveal the depths of ignorance in which our Ministers were engulfed when they sat down to negotiate with the fully informed American representatives. Mr. Paterson was asked during the discussion referred to above, whether oleomargarine could come in under the agreement to compete with Canadian butter. He—though he was one of the negotiators who made the agreement—could not tell; and had to ask leave to enquire. Then, in an earlier debate, he was asked what tale was—talc being one of the articles on the mutual free list. Again, Mr. Paterson was "stumped." He said, haltingly, that he understood it was something to beautify the face. Major Currie promptly pointed out that it was much more than that—that it was employed in the manufacture of paper; and it comes out subsequently that it is also a valuable ingredient in candy-making—something Paterson of Brantford might be expected to know.

### Stealing the Farmers' Protection.

The effect of this agreement is to rob the Canadian farmer of his legitimate Protection on what he produces, while leaving the producers of everything he consumes with their Protection untouched. This is absolutely unfair. It de-Nationalizes the National Policy. The glory of the National Policy has always been that it was National in its scope. It protected every class in the community. This Government, which accepted the National Policy only at the point of the pistol of public opinion, has now destroyed its foundations by stripping the largest and most important of our industries of its Protection.

When our farmers go into the Home Market to sell, after this agreement comes in force, they will be exposed to the free competition of the whole United States, who are their fiercest rivals already all over the world, of the whole British Empire, including Australian mutton and New Zealand

butter, and of the entire twelve "most-favored-nations" which will hammer down their prices for eggs, butter, cheese and all sorts of things. But when they go into the Home Market to buy, they will find no outside competition affecting the prices they must pay for everything necessary from the "back lot" to the front parlor.

Nor can they rectify this injustice by the cheap and easy method of taking Protection away from the industries of the country. For if they do that they will kill the Home Manufactures and so utterly destroy their own Home Market, which is still their best asset, even if they must meet the world there in arms. The Liberals will have greatly reduced the value of our Home Market; but the farmers cannot restore that value by wiping out the Home Market altogether. The only way to restore the value is to restore it—that is, to restore the pro-

the crushing Prussian War indemnity after 1870—and he is protected at every point. The English farmer, on the other hand, has Free Trade, and his industry is languishing, his sons are leaving him for the cities or for other lands, and the factory towns of mid-England have been raised amidst the ruins of agriculture.

Protection, the farmers should remember, is not in their case so much like a wall (as we usually typify it) as it is like a pistol. That is, it is not needed to keep back a steady pressure of competition; but it is needed to drive marauders out of their markets. Competitors may not be able to come in every day and undersell the Canadian farmer. That is not the danger. But when a foreign nation finds itself choked up with a surplus, it would—under the universal free imports to which this agreement would expose us—



**The Deluge:** Under reciprocity the United States and twelve "favored nation" countries obtain full access to Canadian markets.

tection on farm products which the Liberals have sold to our American competitors.

#### "JUG-HANDLED" PROTECTION.

The Conservative Party, as the creators and champions of the protection policy under which Canada has reached its present pitch of prosperity, protest against this maiming of that policy. They would not have consented to a "jug-handled" Protection if the "say" had been theirs. With them, the National Policy is always National. Nor do they believe that the farmers can do without Protection. Hon. Clifford Sifton, at Windsor Hall, in Montreal, that no farming community in the world ever prospered without Protection, with the single exception of the French farmer is rich—his "stocking"

simply dump that surplus into Canada, and so break down our market, glut our consumers and discourage our producers. It is to warn away such "wreckers" that the farmer needs Protection. He wants a tariff pistol—not a tariff wall.

#### The Most Favored Nations.

#### Twelve Foreign Peoples Who Get Our Market for Nothing.

of the incidental and yet most mischievous of this unconsidered and hastily adopted sentiment is that it opens the market of the Canadian farmer to the free and untrammelled competition of twelve foreign countries, besides the United States, which give us absolutely nothing new in

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These are the "most-favored-nations" who have treaties with Great Britain and who, automatically, gain access to our markets when we open them to any other foreign people. When the question first came up in the House of Commons, Sir Wilfrid Laurier was frank enough to say that our Commissioners—Messrs. Fielding and Paterson—had never bothered about these countries when they signed the agreement with President Taft. So rashly, and with such little study, did they rush into this business that they had never even considered whether their bargain with the United States might not admit other nations to our markets on terms which would be disastrous to our producers. In no other way could the foolish precipitation with which we were plunged into this deep abyss be more dramatically betrayed; for one of the first things which any statesman thinks of, when he goes to negotiate a trade treaty, is what its effect will be under the "most-favored-nations" clauses.

Nor is the trade of these most-favored-nations with Canada even to-day a negligible quantity. The most recent figures of the exports of the most important of them to us are as follows:—

|                     |             |
|---------------------|-------------|
| Argentina.....*     | \$2,181,544 |
| Austro-Hungary..... | 1,410,800   |
| Russia.....         | 344,573     |
| Spain.....          | 1,040,210   |
| Switzerland.....    | 2,630,894   |
| Japan.....          | 2,201,309   |
| Norway.....         | 168,299     |
| Sweden.....         | 207,596     |
| Venezuela.....      | 53,885      |

\*Trade and Commerce Report for year ending March, 1910.

This is the trade these nations do with us over our tariff wall as it stands. But it is no indication of what they may sell to us if we open our ports to them without restriction.

### THE TRADE THEY MIGHT DO.

For instance, Argentina has—as Mr. Herbert B. Ames, M.P., pointed out in the House of Commons—"an international trade larger than that of Canada, ninety per cent of whose exports are livestock and agricultural products;" i. e., exactly the articles which we export, and out of which our farmers make their money. "The Argentine," says Mr. Ames, "exports chilled meats, wheat, oats and linseed in enormous quantities. With a population of Italians, Spaniards and Germans, its farmers are content with a lower scale of living than those of Canada." This last is an important point which our farmers, who have pushed up their scale of living during the last few years by labor and enterprise and sagacity, will do well to note carefully.

They should also note that Argentina is a Southern country. It is summer there when it is winter here. In fact, there is no winter there such as we know it in Canada. This will enable the farmers of the Argentine Republic to take our farmers at a disadvantage. Then Argentina is almost wholly an agricultural country. That is its one hope. While over four billion dollars are invested in pastoral and agricultural pursuits there, less than a hundred millions have been put into manufactories. Thus she will seek agricultural markets first; and will certainly strive to invade the Canadian Eastern cities if there be the remotest chance of her doing so.

### ARGENTINE WHEAT.

One feature of her export trade might well be considered. We are told that nearly \$100,000 worth of grain left the Argentine in 1909 without the destination of the cargoes being fixed. This

is, the vessels carrying the grain were ordered to call at some northern port and there find orders where to go. The purpose undoubtedly was to take advantage of the last changes in the markets, and carry the grain to the best. Now, if Canada is wide open, our ports become possibilities for these unticketed Argentine cargoes; and if there happens to be a little scarcity here, which might legitimately mean a slightly higher price for the Canadian Grain Grower, he will suddenly find this advantage torn from his hands by a flood of Argentine grain falling into our markets apparently from the skies. They will have left South America without any notion of coming to Canada, but will have been directed here on calling at New York. Canada thus becomes a possible dumping ground for Argentine grain; and the Argentine Republic is the second largest contributor to the world's bread basket. Moreover, farm labor costs only 64 cents a day in the Argentine Republic.

### DANISH BUTTER.

Then the "most-favored-nations" in Europe may hammer down the farmers' prices in many things. Denmark, for example, is the expert butter maker of the world. Danish butter is found everywhere. About \$48,000,000 worth is exported annually. It dominates the English market and fixes the prices which Irish and other competitors get. Bacon, salt pork, eggs, potatoes, condensed milk and fish may come from most of these European countries. Switzerland exports \$10,000,000 worth of cheese, and a lot comes to Canada to-day. Russian barley, for example, might find its way during a year of glut, to Eastern Canada and seriously disturb our markets—not enough to help any interest but just enough to discourage and mislead the farmer.

### WHAT THEY EXPORT.

Some figures showing the exports of these twelve nations—many of which are only kept out of Canada by the tariff—may be suggestive. We usually give the figures for 1909.\*

|                        |              |
|------------------------|--------------|
| <b>Russia (1908)</b>   |              |
| Butter.....            | \$23,539,882 |
| Eggs.....              | 28,248,390   |
| Barley.....            | 68,324,004   |
| Wheat.....             | 58,228,037   |
| <b>Argentina</b>       |              |
| Beef (frozen).....     | 20,210,525   |
| Wheat.....             | 102,327,577  |
| Mutton (frozen).....   | 5,133,426    |
| Cattle.....            | 3,944,746    |
| <b>Sweden (1908)</b>   |              |
| Butter.....            | 9,975,801    |
| Fish.....              | 1,880,000    |
| <b>Norway.</b>         |              |
| Fish.....              | 12,000,000   |
| <b>Austro-Hungary.</b> |              |
| Cattle.....            | 12,252,133   |
| Horses.....            | 9,980,112    |
| Barley.....            | 7,427,847    |
| <b>Denmark.</b>        |              |
| Butter.....            | \$48,320,668 |
| Bacon and Hams.....    | 28,039,768   |
| Cattle.....            | 7,242,432    |
| Horses.....            | 4,020,000    |

\*Hansard, 1911, pages 6862-6887-6983.

figures be contrasted with the figures of our imports from these countries to-day, seen how much margin there exists for faking our tariff down, and we become free markets of the world—like Britain—never there is a glut in any of the usual the surplus will be dumped into Canada of course.



And we give these twelve nations this advantage; and they give us absolutely nothing in return that we have not already. It is a most unbusinesslike proceeding. We think it worth while to make special bargains with some nations—to sell them admission to our markets for definite and important advantages. Why not these twelve?

#### CANNOT BE ESCAPED.

There was talk for a few days of our Government getting the British Government to set Canada free from this clause in these trade treaties. But the British Government soon put an end to that nonsense. They said that these treaties could not be "denounced." Hon. Winston Churchill referred to them as "the sheet anchor of British trade." With these countries, Britain has an enormous trade and Canada a comparatively small one as yet; and the Mother Country would never think of sacrificing her large trade for the sake of what she would regard as our small grievance. Our connectic with the matter at all is only incidental; but it will prove costly to us if this agreement goes through.

#### Australia and New Zealand too.

Another incidental effect of the agreement is to open our markets—by a side wind—to all the Colonies of the Empire. This is a step which should only have been taken after the fullest consideration, after enquiry as to how it would affect Canadian interests, and after friendly negotiations with the Governments of our Sister Colonies. It ought to have been a case of preference for preference, and exceeding care that no Canadian interest was hurt. We are quite as much concerned about British interests that exist in Canada as about those which exist anywhere else.

But—utterly without investigation, enquiry or negotiation—our markets are to be flung wide open to Australia, New Zealand and all the rest of the family. Australia and New Zealand are two other countries which have summer when we have winter. That is, when our prices are necessarily at their highest, theirs are at their lowest; and they can come in and skim the cream from the dish of the Canadian farmer.

#### BUTTER.

Talking of cream, let us consider the butter situation. Australia exports annually from fifty to seventy-five million pounds of butter, Government inspected and guaranteed. To-day, that butter can be laid down in bond at Montreal, having come via London, at 23 cents per pound. Will our butter-makers take a look at those figures! The only thing which prevents it from being put on the Canadian market is the four cent duty. Without that, it would kill the Eastern Township butter-maker who is getting 26 cents a pound. These figures are, of course, taken at the time of writing; but they are typical.

Already Montreal produce merchants import New Zealand butter in spite of the duty; and New Zealand is a great butter producer. It exports over \$13,000,000 of butter and cheese annually, and sends to England to-day twelve times as much butter as all Canada. The effect of the import of New Zealand butter into Montreal was to seriously hammer down the prices for Canadian Creamery; and Mr. Ames—who has had the advantage of studying the Australian situation on the spot—says that under Reciprocity, "the Montreal produce merchants would send New Zealand butter as far as Winnipeg where it would compete with Australian butter imported via Vancouver, and the Canadian dairyman's winter home-market would be no more."

Moreover, New Zealand butter itself can be landed in Vancouver at 24½ cents a pound, and nothing but the 4c. duty keeps it out. Nor is it merely a question of the butter which has reached Canada. This last winter much New Zealand butter was offered to Montreal merchants which was not taken, but which would have come in had there been no duty. Then, again, English buyers found they had too much Canadian butter and wanted to return some of it to Canada. This, too, would have happened had it not been for the duty. The result would have been serious depreciation in the prices our farmers would have been getting.

#### FROZEN MEAT.

Frozen meats from Australia and New Zealand will come in as well to cut Canadian prices. Australia exports from forty to fifty million pounds of frozen meat annually; the pastures are near the ports of exportation; and the Government actively assists this trade in every way. New Zealand exported in 1909 \$14,000,000 worth of frozen lamb and mutton. Thus the supply is ready.

With the duty reduced to one and a quarter cents a pound—the Reciprocity rate—these products of the Antipodes can be landed in both Atlantic and Pacific ports at prices to undersell present Canadian prices. The value of every head of live stock in the Maritime Provinces will be reduced, and Alberta will be driven out of the British Columbia market.

#### A CASE IN POINT.

##### AUSTRALIAN MUTTON SOLD IN CANADA.

An object lesson of this danger was given the country this spring. The steamship "Wakanui" arrived in the harbor of St. John, N. B., on the 18th of March with 750 light carcasses of Australian young mutton on board. They ran from 35 to 50 pounds. This shipment was made to Canada as a sort of experiment in spite of the fact that a heavy duty of 3 cents a pound would be collected on it at our ports. And the experiment proved a success.

250 carcasses went to one Montreal house. They cost this Montreal house 9½ cents a pound, freight and duty paid, and it was able to sell its consignment at 10½ cents a pound, which was well below the then market price for Canadian lamb in Montreal. The result was that the Montreal papers announced, on March 20th,—"Lamb Has Fallen," though they did not give the reason.

About the same number of carcasses were sold to a Toronto house, which disposed of them at about the same figures, allowing extra freight charges.

Now, what would have happened had our duty been reduced to one and a quarter cents a pound—the rate provided for in the Reciprocity agreement? Our farmers would have lost just that much more on their lamb. Under this new rate of duty, it will be possible to lay this Australian "young mutton" down in Montreal for 7½ cents a pound, and in Toronto at a trifle higher. How will our farmers like that?

The Canadian packing houses, by the way, which handled this experimental shipment of mutton, report that their customers were highly pleased with it and want more.

Where is Lockie Wilson with his can of Australian mutton with which he made such good play during the Patron of Industry movement?

Nor was this "Wakanui" case without precedent. Last winter, New Zealand lambs were brought in by our Pacific ports and sold as far east as Winnipeg. At the present time, choice young New Zealand mutton, 35-50 lbs. average, is selling in London

for about 6c. Add to this the freight, storage and the proposed duty; and this mutton could be landed in Canada at a net cost per pound of 7½ cents. Today, Canadian mutton of this class is being sold in Montreal for 9 to 9½ cents. You can draw your own inference as to what would happen the prices received for Canadian lamb if Reciprocity were in force.

This is one of the incidental effects that our Ministers did not think even worth considering when they were selling out our market for "privileges" in the American market which the Democrats now propose to better without asking any return.

#### WHAT THEY EXPORT.

Some of the figures from the Australian and New Zealand exports for the year 1909 may indicate to our people the possible proportions of this trade.

|                     |              |
|---------------------|--------------|
| Wheat.....          | \$32,259,591 |
| Beef (chilled)..... | 3,568,288    |
| Mutton.....         | 5,991,036    |
| Butter.....         | 11,678,506   |
| New Zealand.        |              |
| Butter.....         | 7,978,316    |
| Cheese.....         | 5,379,564    |
| Beef (frozen).....  | 2,751,701    |
| Lamb.....           | 8,842,859    |
| Mutton.....         | 5,210,383    |

\*Hansard, 1911, pages 6362-6387.

#### BRITAIN CAN "DUMP" TOO.

We should add to these Colonial competitors the vast British market itself. They have in Britain enormous facilities for cold storage and often very cheap means of shipment to Canada. Now, when there is a surplus there—and Britain, as the commercial clearing-house of the world, is apt to get a surplus of anything at any moment—nothing will be simpler than to ship it off to Canada and sacrifice it here. Only the tariff prevents that today. The tariff stands between our food producers and a system of "slaughtering"—a system from whose effects we now protect our manufacturers by a set of duties and an entire Government network of agencies to prevent "dumping." Remove the farmer's protection; and the British wholesale men can "dump" into his market whenever it suits them. Butter would have been returned from England this last winter if it had not been for our duty; and the prices would have fallen in this market in consequence.

#### THEY COMPETE ALREADY.

Nor is it always so that, even to-day, the Americans are the fiercest competitors of our farmers in our own Home Market. The following figures, for example, show our imports of fresh mutton and lamb from the United States and from Australia during the months from October to February last:—

| *Month.            | United States. | Australia.   |
|--------------------|----------------|--------------|
| October, 1910..... | 76,027 lbs.    | 217,266 lbs. |
| November, ".....   | 33,760 "       | 163,909 "    |
| December, ".....   | 71,720 "       | 179,470 "    |
| January, 1911..... | 54,665 "       | 157,927 "    |
| February, ".....   | 99,359 "       | 142,751 "    |

And the following figures reveal where we got the most of our imported cheese from during the same five months:—

| *Month          | United States | Switzerland | France | Italy   |
|-----------------|---------------|-------------|--------|---------|
|                 | lbs.          | lbs.        | lbs.   | lbs.    |
| October, 1910.. | 21,716        | 30,197      | 15,879 | 72,709  |
| November, " ..  | 19,539        | 36,317      | 22,482 | 23,224  |
| December, " ..  | 20,274        | 31,873      | 44,559 | 66,775  |
| January, 1911.. | 18,261        | 33,519      | 1,810  | 16,240  |
| February, " ..  | 11,543        |             | 900    | 101,053 |

\*Hansard, 1911, pages 6265-6267.

The figures from Switzerland will, of course, greatly increase under this agreement; for it is one of the "most-favored-nations;" while the Liberal Government has made special treaties with France and Italy.

#### NO PREFERENCE WITH AUSTRALASIA.

Another point to be remembered is that we lose the possibility of making a favorable preferential agreement with our sister Colonies of Australia and New Zealand. Mr. Ames pointed this out in his speech in the House of Commons on Reciprocity; and we will quote what he said:—

"There is another matter that I might refer to in passing, and that is the subject of Australia-Canada reciprocity. I had intended discussing this at some length, and moving that it be a subject of consideration by the Imperial Conference. But now there is nothing to discuss. By this American reciprocity arrangement we have given away our whole hand. We now can give Australia nothing further; what they wanted us to grant becomes impossible. We have bereft ourselves of the power of negotiation. Australia could export to Canada, among other things, the following articles, but our reduced rates leave us nothing that we can further concede.

|                      | Present Duty        | Proposed Rate |
|----------------------|---------------------|---------------|
| Meats.....           | 3c. per lb.         | 1½c.          |
| Canned Meats.....    | 27½%                | 20%           |
| Mutton and Lamb..... | 3c. per lb.         | 1½c.          |
| Poultry.....         | 25%                 | Free          |
| Tallow.....          | 20%                 | 5%            |
| Butter.....          | 4c. per lb.         | Free          |
| Apples.....          | 40c. per bbl.       | Free          |
| Grapes.....          | 2c. per lb.         | Free          |
| Peaches.....         | \$1.00 per 100 lbs. | Free          |
| Salt.....            | 5c. "               | Free          |

"On the other hand, the three principal articles which we desired to export to Australia from the Pacific Coast were lumber, fish and fruit, and we asked a tariff advantage over our chief rival, the United States, upon these articles. How can that now be granted when there is free interchange in these products between Canada and the United States, and the identity of the Canadian product irretrievably lost?"

#### NO TREATIES WITH THE TWELVE.

By this same agreement, we have given away our opportunity to strike a bargain with any of the "most favored-nations." Having already opened our markets to them, we have nothing to offer them in exchange for further facilities in their markets. Yet who knows but that we might have negotiated valuable treaties with some of them? We have treaties with France and Italy which the Liberal Government boasted very loudly about when they "landed" them. Why not with Spain, Switzerland, Austro-Hungary, Scandinavia, Denmark or even Russia?

#### Factories in the West.

In his Montreal speech, Mr. Fielding represented the East and the West as having different, if not hostile, interests. The East is industrial; the West is agricultural.

A man in the audience asked him, pertinently—"But will the West never have manufacturing?"

Now, that is an important question which even the Prime Minister should not ignore.

Can we find the answer to it by looking at the American West. There was a day when the American West was purely agricultural, and imported

The only people whom Mr. Fielding is willing to sacrifice, in this case, are the farmers. He was offered free "agricultural implements;" and he refused them.

### PANICS.

Panics seem to come periodically in the United States. They rise usually in the New York stock market, lead to scarcity of money, hamper industrial operations and the movement of crops, smash banks, ruin depositors by the thousand, and spread desolation and "hard times" throughout the Republic.

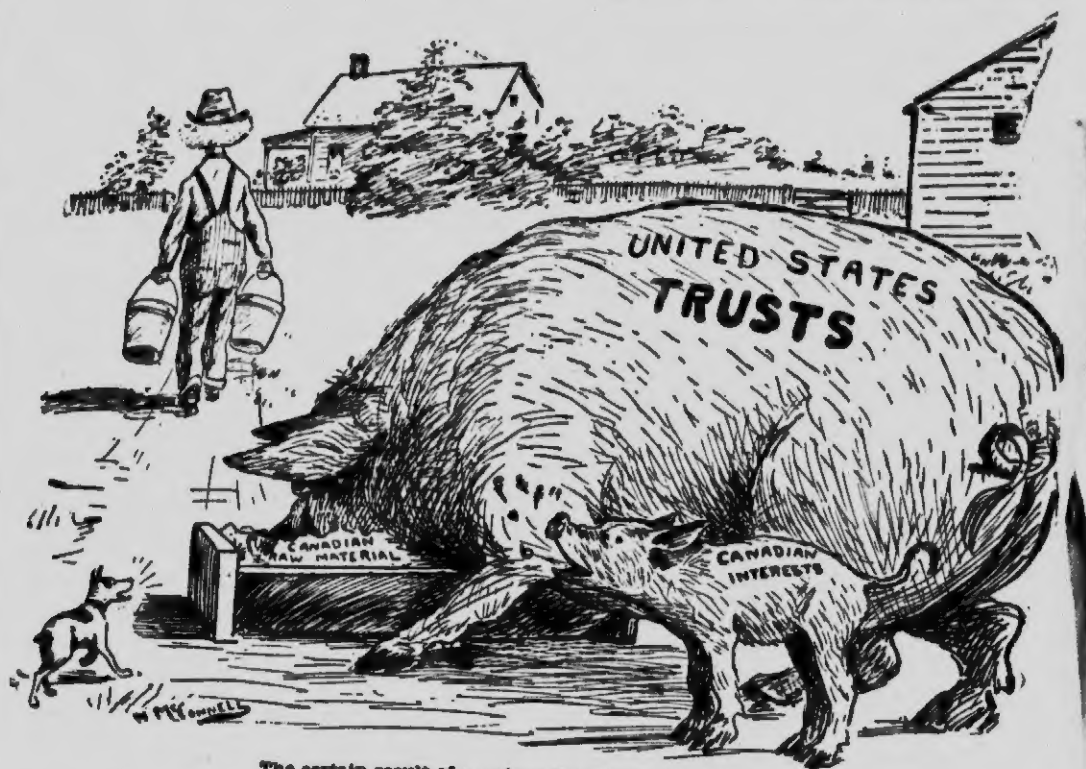
But their highest waves break ineffectively upon the barriers of Canadian fiscal independence. Our banks stand. When we have bank failures—as, for instance, in the case of the Farmers' Bank—they are not carried away from without but blown up from within. But banks fail at such times in the United States through no great fault of their man-

unless they sorely need it, and then they will ask for credit; the farmers' Home Market will be starved. There will, in a word, be Reciprocity in "hard times" as well as other things; and this is a commodity of which we seldom have any to export, while the Americans seem to grow a large crop about every seven years.

### TRUSTS.

The American Trust is one of the most vicious and unfeeling tyrannies which the world has ever seen. It has no parallel in any other country. It ruthlessly plunders the seller and the buyer alike. It grinds down the producer and robs the consumer.

The Meat Trust, for example, portions off the territory where it buys its supplies among its various members. They are not so foolish as to compete with each other. Every farmer who has a cow or a sheep or a hog to sell in any part of the producing



The certain result of a reciprocity hole in the line fence.

agers. Only the strongest can survive the running tide of distrust and panic.

One evidence of this is the steady confidence of our people in their banks. It is estimated that, during the American crisis of 1907, \$296,000,000 was actually taken out of circulation by the American people and "hoarded." We have never known anything like this in Canada. Even Americans, at such times, bring their money over here to put it in Canadian banks for safe-keeping.

But if the two commercial communities are to be merged into one, we may expect that the American panics will sweep freely and disastrously over this country. Our industries will be crippled or closed for lack of funds; workmen will be thrown on the street; people with money in the banks will not be able to get it out; money will be so scarce, indeed, that no one will buy any farm produce

territory, can only sell to the one firm which has been apportioned his section; and he must take the price offered by this firm or go without. He has no choice. The Trust has first killed off all other competition; and then eliminated competition between its own members.

In the same way, these Trusts parcel out their selling territory and dictate prices. If an independent local butcher starts up, he finds a Trust institution planted down next door to him with instructions to undersell him and close him up at all costs. And they succeed. We know how they have succeeded away over in New England in the case of the "abandoned farms." One reason why these farms cannot pay is that their meat products cannot find a market even in the manufacturing towns so near them. The Trust meets and beats them there.



A trust has, it must be remembered, its superb organization enables it the "manufacture" of its finished so cheapen the cost of carriage and delivery and sale, that it can beat the ordinary private operator right at his own door. That is, it can buy a cow in Seattle, ship it to Chicago, slaughter it and ship the meat back to Seattle and sell it there cheaper than the local butcher could afford to do, though he paid the same price for the cow. Thus it makes money while underselling these local competitors. This shows how hopeless it is for any ordinary citizen to try to stand up against these immense organizations.

Of course, when there is no local opposition, the Trust charges "all the traffic will bear" and pockets fabulous sums.

Now it is clear what will happen Canada when our country is wide open to the operations of these Trusts. They will portion off our country like a conquered domain, and our farmers will have to sell to them at their own price or sell to nobody. We will be in the grip of foreign tyrants over whose operations our Parliament will have no control. An invading army would not be more humiliating to our self-respect nor more domineering in arbitrarily fixing the price we would get for the things it "commandeered."

In putting down the list of articles we will import from the Americans under this agreement, we must never forget to include their most characteristic contribution to the world's civilization—The American Trust.

## Are You Sure You are not Hit by Reciprocity.

In the face of a revolutionary fiscal change of policy like that embodied in Reciprocity, no man can tell for certain that he will not be hurt. If he is a farmer or a merchant whose prosperity depends in a great degree upon the ability of his customers to buy, he will run over the list of his best patrons and see if the purchasing capacity of any of them is likely to be affected by the pact. He will find himself engaged in this or that gainful occupation—possibly this or that line of manufacture—and he will look down the list of items included in the tariff-fielding agreement; and he will find no mention of it. "I am safe," he will conclude. "Reciprocity may disturb others; but it will not bother me."

Listen!

Here is an actual case. Reciprocity will kill the salt industry in Canada as dead as a door nail. It takes the protective duty off the finished product, but leaves it on an important raw material—soft coal. Thus the salt men are not even left alone to fight their battle; they are stabbed in the back while they face their American rivals.

"But," says our man, "that will not hurt me. There are no salt men in my area of patronage." Wait a minute.

*From Pres. Taft's "Plain Talk" to the (American) National Grange Delegation, May 8th, 1911.*

"I believe it is contrary to nature, it is flying in the face of Providence, to put an artificial wall like that between this country and Canada, and not get the benefit that will inure to peoples of the same traditions, the same language and practically with the same character of labor. If we take down that wall, we will benefit by it; FOR WE SHALL SELL MORE AGRICULTURE PRODUCTS TO CANADA THAN SHE WILL SELL US. WE DO NOW, AND WE SHALL SELL HER EVEN MORE AFTER THE TREATY GOES INTO EFFECT."

The salt men use a lot of bags—one-third of the weight of their product being in the package—their bags being an appreciable percentage of the market of the Canadian bag men. Thus, if they go out of business, the makers of bags will lose that much of their Home Market and that much of their profits. Just so many men will be dropped from their wage sheets; and just such a reduction will be made in the section of the farmers' Home Market that they create.

Does that hit our man?

Possibly not; but try again. The bag men get their cotton from the cotton mills. Here is another contracted market and another shrinkage in the purchasing power of a set of Canadian citizens. If you sell winter vegetables to the men who work in a cotton mill, you will feel the blow delivered to the salt industry away up near Lake Huron.

And so it goes. We might take up the printing of the bags and push it farther. Our industries interlock so intricately and so universally that a blow at one is felt throughout the entire system. We have been building up our national industrial system for many a year now on national and Imperial lines. That is, we have been creating a Canadian and British edifice. We have been making ourselves commercially independent of the American people; and no less a person than Sir Wilfrid Laurier said, in the course of the debate on the Grand Trunk Pacific bill:—

"I have found that the most effective way to maintain friendship with our American neighbors, is to be absolutely independent of them."

Now it is only common sense to say that, if our industrial superstructure has been erected on this foundation of Canadian independence and British connection, it will undergo some very severe changes if it is to be hauled over to another foundation—Continentalism. And no man can measure the extent of those changes. No man can say that they may not seriously injure him until experience has worked out the whole problem.

We are thrusting an iron spike into the vitals of a delicate piece of machinery; and some of us are saying that we will not be touched because we do not stand directly in the road of the spike. A wheel may be stopped, a belt broken, and a lever detached far from the invading spike which will literally cut our heads off.

## OUR SOURCES OF INFORMATION.

It will be noted that we have quoted freely from American sources of information. We have in many cases been compelled to do this because our Government did not collect or publish any list of comparative prices, or, indeed, much other pertinent information. Our other statistics, in many cases, have been taken from the daily market reports, but some of them have been supplied by experts in the lines of business affected. The pages given as Hansard references are from the Revised Edition.